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HOUSE BILL 384 By
Montgomery

SENATE BILL 328
By Clabough

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 4,
Part 7 and Title 67, Chapter 6, relative to vacation
lodgings.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-4-702(a)(1), is amended by
adding the following language at the end of the subdivision:

“Business” does not include an individual property owner who utilizes a property
management company to manage a vacation lodging for overnight rentals; provided,
however, that “business” shall include any other activity of such individual property
owner that is subject to any tax levied by this part.

SECTION 2. Tennessee Code Annotated, Section 67-4-702(a), is amended by adding
the following new subdivisions:

() “Individual property owner” means a person that owns a vacation lodging.

() “Overnight rentals” means rental of a vacation lodging to one or more
individuals for temporary human lodging not to exceed a period of one hundred eighty
(180) consecutive days; provided, however, that a tenancy or lease to an individual who

has no other place of residence or abode during the lease period to which he may return after the lease terminates is not “overnight rentals”.

() “Property management company” means a person that, for consideration, manages a vacation lodging for an individual property owner that provides such lodging for a rental fee to consumers.

() “Vacation lodging” means real property, other than the primary and regular residence or abode of an individual property owner, that is utilized, or can be utilized, for overnight rentals in the absence of the individual property owner.

SECTION 3. Tennessee Code Annotated, Title 67, Chapter 4, Part 7, is amended by adding the following language as a new section:

Section 67-4-730. A property management company shall owe business tax based on its gross proceeds from overnight rentals and gross proceeds from any other source subject to the business tax levied by this part.

SECTION 4. Tennessee Code Annotated, Section 67-6-501, is amended by adding the following new subsection:

(d) When an individual property owner utilizes a property management company to manage a vacation lodging owned by the individual property owner, the tax levied by this chapter on the gross charge for such rental shall be imposed on, and shall be remitted by, the property management company to the commissioner. This provision shall not be construed to prohibit the property management company from collecting the tax from the consumer as provided for in §67-6-502. For the purposes of this subsection, the terms “individual property owner,” “property management company,” and “vacation lodging” shall have the same meanings as in §67-4-702.

SECTION 5. This act shall take effect upon becoming a law, the public welfare requiring it.